

Long Term Care Insurance: Planning now can save thousands later

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Have you considered the need for long term care (LTC) insurance in planning for your retirement? If not, you are not alone, but it is time to take action in order to maintain the quality of life that you wish for in your future. Perhaps you think ‘it will not happen to me,’ that friends or family will care for you, or, you expect to rely on the government. As you know, things do not always turn out as planned. Lack of preparation for the future will have an adverse effect on your family and can lead to the greatest single financial crisis in your life.

LTC insurance covers a wide range of medical and supportive

service for people requiring assistance with activities of daily living (i.e.- dressing, bathing, cooking, cleaning, etc.). There are many plans with different levels and degrees of care, varying by price.

Managed care currently averages \$55,000 per year. It is estimated that the cost will rise to \$200,000 by the year 2030. How should you be prepared? Don’t make these common mistakes:

Myth 1: Assuming you don’t need LTC insurance. Many people assume it only covers nursing home costs and think they will never need that type of coverage. It actually covers numerous services that could be required by any individual.

Myth 2: Believing Medicare and secondary insurance covers all LTC expenses. Both have particular rules and restrictions when dealing with LTC. Medicare only provides

limited coverage and you may end up paying out of pocket. Medigap policies typically only cover if skilled services continue to be necessary.

Myth 3: Waiting for a future time to purchase LTC insurance. Your age and health are determining factors in securing affordable insurance; waiting until you are older and have more physical problems will cause you to pay more for coverage.

Myth 4: Assuming there are better investments than LTC. Considering the significant effects the cost of LTC could have on your retirement funds, you should consult with your financial planner to avoid causing you and your family a lot of money and stress in the long run.

As Benjamin Franklin nicely stated, “an ounce of prevention is worth a pound of cure.”